

No. CR 11 00472  
0040R 00270

SEALED BY ORDER  
RMW COURT

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

FILED

SAN JOSE DIVISION

JUL 13 2011

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

THE UNITED STATES OF AMERICA

VS.

KEVIN CHEN CHIEH YANG

INDICTMENT

-Counts One through Seven: 18 U.S.C § 1343 - Wire Fraud

-18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 - Forfeiture of Fraud Proceeds

*A true bill.*

*Mary Elizabeth Sladek*  
Foreperson

Filed in open court this 13 day of July

A.D. 2011

*[Signature]*  
UNITED STATES MAGISTRATE JUDGE

Bail. \$ No Bail Arrest Warrant

DOCUMENT NO.	CSA'S INITIALS
<i>12</i>	<i>[Initials]</i>
DISTRICT COURT JURISDICTIONAL CASE PROCESSING	

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RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

MELINDA HAAG (CABN 132612)  
United States Attorney

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION  
**CR 11 00472 RMW HRL**

UNITED STATES OF AMERICA,

Plaintiff,

v.

KEVEN CHEN CHIEH YANG,

Defendant.

No. CR

VIOLATIONS: 18 U.S.C. § 1343 — Wire  
Fraud; 18 U.S.C. § 981(a)(1)(C) and 28  
U.S.C. § 2461 — Forfeiture of Fraud  
Proceeds

(SAN JOSE VENUE)

INDICTMENT

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Keven Chen Chieh YANG was a businessman affiliated with a number of businesses, including but not limited to Triangle SuperGin, OK Sourcing, Westcal, SuperGin, Global Recycle Energy, Inc., Cotton Recovery Inc., and KR Capital Corp. YANG represented to prospective investors that these companies, the "cotton recycling businesses," were involved in and/or intended to be involved in the business of cotton recycling. YANG had a personal bank account at Wells Fargo Bank ending in 117 ("YANG Wells Account").

INDICTMENT

1           2.     L.Y. was an individual living in Palo Alto, California. L.Y. had a personal bank  
2 account at Wells Fargo Bank in Palo Alto, California ending in number 274 ("L.Y. Wells  
3 Account").

4           3.     Y.P.Y. was L.Y.'s father and lived in China.

5           4.     D.L. was an individual living in Temple City, California. On or about December  
6 11, 2009, in reliance made on representations made by YANG, D.L. opened a bank account in  
7 the name of Cotton Recovery Corp. at Citibank ending in number 507 ("Cotton Recovery  
8 Account").

9           5.     Y.H. was an individual living in Alhambra, California.

10          6.     L.Y., Y.P.Y., D.L., and Y.H. each invested in the cotton recycling businesses  
11 affiliated with YANG.

12                               THE SCHEME TO DEFRAUD

13          7.     As set forth more fully below, beginning on a date unknown to the Grand Jury,  
14 but no later than in or about 2006, and continuing until approximately 2010, both dates being  
15 approximate and inclusive, in the Northern District of California and elsewhere, the defendant,

16                               KEVEN CHEN CHIEH YANG,

17 did devise and intend to devise, and did participate in, a material scheme and artifice to defraud,  
18 and to obtain money and property by means of material false and fraudulent pretenses,  
19 representations, and promises. In particular, YANG solicited individuals to invest in the cotton  
20 recycling businesses described in Paragraph 1, above. YANG led these individuals to believe  
21 that the money they invested would be used for the benefit of those businesses. Instead, YANG  
22 spent a significant amount of the investors' money on personal expenses and, in particular, on  
23 gambling at casinos.

24          8.     As part of the scheme and artifice to defraud, YANG induced L.Y. and Y.P.Y. to  
25 invest approximately \$4,190,000 in various cotton recycling businesses. In reliance on  
26 representations made by YANG that the money would be used for business purposes, L.Y.  
27 deposited money on behalf of himself and Y.P.Y. into the YANG Wells Account. YANG did  
28 not disclose to L.Y. and Y.P.Y. that, in fact, a substantial portion of their investment would be

1 used by YANG for personal expenses, including gambling at casinos. In total, YANG gambled  
2 at least \$1,500,000 of the money invested by L.Y. and Y.P.Y.

3 9. In furtherance of the scheme and artifice to defraud, YANG induced D.L. to invest  
4 \$250,000 in Cotton Recovery Inc., a business YANG claimed he was creating to engage in cotton  
5 recycling. In reliance on representations made by YANG that the money would be used for  
6 business purposes, D.L. deposited \$250,000 into the Cotton Recovery Account. YANG did not  
7 disclose to D.L. that, in fact, a substantial portion of his investment would be used by YANG for  
8 personal expenses, including gambling at casinos. Unbeknownst to D.L., YANG withdrew  
9 approximately \$230,000 of the money deposited by D.L. and used it for gambling.

10 10. In furtherance of the scheme and artifice to defraud, YANG induced Y.H. to  
11 invest approximately \$98,000 in KR Capital Corp., a business YANG claimed he was creating to  
12 engage in cotton recycling. In reliance on representations made by YANG that the money would  
13 be used for business purposes, Y.H. purchased a cashier's check made payable to YANG totaling  
14 \$45,000 and gave it to YANG. YANG did not disclose to Y.H. that, in fact, a substantial portion  
15 of her investment would be used by YANG for personal expenses, including gambling at casinos.  
16 In total, YANG gambled at least \$45,000 of the money invested by Y.H.

17 COUNTS ONE THROUGH SEVEN: 18 U.S.C. § 1343 — Wire Fraud

18 11. The factual allegations of paragraphs 1 through 10 of this Indictment are re-  
19 alleged and incorporated herein as if set forth in full.

20 12. On or about the dates set forth in the separate counts below, in the Northern  
21 District of California, and elsewhere, for the purpose of executing the aforementioned scheme  
22 and artifice to defraud, and attempting to do so, the defendant,

23 KEVEN CHEN CHIEH YANG,

24 did knowingly cause to be transmitted, in interstate and foreign commerce, by means of a wire  
25 communication, certain writings, signs, and signals, specifically, wire transfers of funds, as more  
26 specifically described below:

COUNT	DATE	POINT OF ORIGIN	POINT OF RECEIPT	NATURE OF WIRE COMMUNICATION
1	9/5/2007	China	Palo Alto, California	Wire transfer of approximately \$125,800 to the L.Y. Wells Account
2	9/5/2007	China	Palo Alto, California	Wire transfer of approximately \$125,800 to the L.Y. Wells Account
3	9/6/2007	China	Palo Alto, California	Wire transfer of approximately \$756,000 to the L.Y. Wells Account
4	9/7/2007	China	Palo Alto, California	Wire transfer of approximately \$75,540 to the L.Y. Wells Account
5	11/9/2007	Hong Kong	Palo Alto, California	Wire transfer of approximately \$360,000 to the L.Y. Wells Account
6	4/14/08	Hong Kong	Palo Alto, California	Wire transfer of approximately \$794,000 to the L.Y. Wells Account
7	5/27/08	Hong Kong	Palo Alto, California	Wire transfer of approximately \$1,269,793 to the L.Y. Wells Account

All in violation of Title 18, United States Code, Section 1343.

**FORFEITURE ALLEGATION:** 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461

13. All of the allegations contained in this Indictment are re-alleged and fully incorporated herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section § 981(a)(1)(C).

14. Upon a conviction for the offenses alleged in Counts One through Seven above, the defendant,

KEVEN CHEN CHIEH YANG,

shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to said offenses, including but not limited to a sum of money equal to the total proceeds from the commission of said offenses.

15. If, as a result of any act or omission of the defendant, any of said property

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

INDICTMENT

e. has been commingled with other property which cannot be divided without difficulty;

any and all interest defendant has in any other property up to the value of the property described above shall be forfeited to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461.

All in violation of Title 18, United States Code, Sections 981(a)(1)(C), 1343; Title 28, United States Code, Section 2461; and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED:

A TRUE BILL.

*Mary Elizabeth Sladek*  
FOREPERSON

MELINDA HAAG  
United States Attorney

*Amber Rosen*  
AMBER ROSEN  
Deputy Chief, San Jose Branch Office

(Approved as to form: *AUSA Danner*)

AUSA DANNER

INDICTMENT

SEALED BY ORDER  
OF COURT

## DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING

## OFFENSE CHARGED

18 USC section 1343 - Wire Fraud

18 USC section 981(a)(1)(C) &amp; 28 USC 2461(c) - Forfeiture of Fraud Proceeds

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: 20 years maximum imprisonment, \$250,000.00 fine; 3 years supervised release; \$100.00 special assessment

CR 11

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

## DEFENDANT - U.S.

▶ KEVEN CHEN CHIEH YANG

DISTRICT COURT NUMBER

00 472

FILED

JUL 13 2011

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

## PROCEEDING

Name of Complainant Agency, or Person (&amp; Title, if any)

FBI

☐ person is awaiting trial in another Federal or State Court, give name of court☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:☐ U.S. ATTORNEY ☐ DEFENSESHOW  
DOCKET NO.☐ this prosecution relates to a pending case involving this same defendantMAGISTRATE  
CASE NO.☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded underName and Office of Person  
Furnishing Information on this form Melinda Haag☒ U.S. Attorney ☐ Other U.S. AgencyName of Assistant U.S.  
Attorney (if assigned) AUSA Allison Danner

## IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) ☒ If not detained give date any prior summons was served on above charges ▶2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)

## IS IN CUSTODY

4) ☐ On this charge5) ☐ On another conviction☐ Federal ☐ State6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer  
been filed? ☐ Yes ☐ NoIf "Yes"  
give date  
filedDATE OF  
ARREST ▶

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED  
TO U.S. CUSTODY ▶

Month/Day/Year

☐ This report amends AO 257 previously submitted

## ADDITIONAL INFORMATION OR COMMENTS

## PROCESS:

☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

Bail Amount: No Bail

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: Before Judge:

Comments: